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DEPARTMENT OF COMMERCE

International Trade Administration

C-583-857

Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products from Taiwan:
Preliminary Negative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are not being provided to producers and exporters of certain corrosion-resistant steel products (corrosion-resistant steel) from Taiwan. The period of investigation is January 1, 2014, through December 31, 2014. We invite interested parties to comment on this preliminary determination.

DATES: Effective [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Joy Zhang or Cindy Robinson, Office III, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1168 and (202) 482-3797, respectively.

SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The products covered by this investigation are corrosion-resistant steel products from Taiwan. For a complete description of the scope of the investigation, *see* Appendix II.

Methodology

The Department is conducting this countervailing duty (CVD) investigation in accordance with section 701 of the the Act. For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum.¹ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

New Subsidy Allegations

On October 1, 2015, the Department initiated an investigation of certain additional and new subsidy programs based on AK Steel's New Subsidy Allegations (NSA) with respect to Prosperity Companies,² Yieh Phui Companies,³ and the Taiwan Authorities (TA).⁴ We did not

¹ *See* Memorandum, "Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products from Taiwan: Decision Memorandum for the Preliminary Negative Determination," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

² Including the mandatory respondent, Prosperity Tieh Enterprise Co., Ltd. (PT), and PT's following crossed-own affiliates: Hong-Ye Steel Co., Ltd. (HY), Prosperity Did Enterprise Co., Ltd. (PD), and Chan Lin Enterprise Co., Ltd. (CL) (collectively Prosperity Companies). *See* PT's initial questionnaire responses dated August 7, at 1-3.

³ Including the mandatory respondent Yieh Phui Enterprise Co., Ltd. (Yieh Phui), and Yieh Phui's following crossed-own affiliates: Yieh Corporation Limited (YCL); Shin Yang Steel Co., Ltd. (Shin Yang); and Synn Industrial Co., Ltd (Synn).

⁴ *See* Memorandum to Erin Begnal, "Certain Corrosion-Resistant Steel (CORE) Products from Taiwan: Decision Memorandum on New Subsidy Allegations," dated October 1, 2015 (NSA Decision Memorandum).

receive questionnaire responses from Prosperity Companies, the Yieh Phui Companies, and TA until October 16, 19, and 20, 2015, respectively.⁵ The timing of the NSA questionnaire responses submitted by these parties does not give us sufficient time to incorporate them into our preliminary determination. We intend to examine these programs after the preliminary determination time permitting.⁶

Negative Preliminary Determination and Suspension of Liquidation

For this preliminary determination, we have calculated a *de minimis* countervailable subsidy rate for each individually investigated producer/exporter of the subject merchandise. Consistent with section 703(b)(4)(A) of the Act, we are disregarding these rates and preliminarily determine that no countervailable subsidies are being provided to producers/exporters of the subject merchandise in Taiwan. Because the rates calculated for the individually investigated companies are *de minimis*, the all others rate is also *de minimis*.

We preliminarily determine the estimated countervailable subsidy rates to be:

Company	Subsidy Rate
Prosperity Tieh Enterprise Co., Ltd. (PT); Hong-Ye Steel Co., Ltd. (HY); Prosperity Did Enterprise Co., Ltd. (PD); and Chan Lin Enterprise Co., Ltd. (CL) (collectively Prosperity Companies)	0.00 percent <i>ad valorem, de minimis</i>
Yieh Phui Enterprise Co., Ltd. (Yieh Phui); Yieh Corporation Limited (YCL); Shin Yang Steel Co., Ltd. (Shin Yang); and Synn Industrial Co., Ltd (Synn) (collectively Yieh Phui Companies)	0.00 percent <i>ad valorem, de minimis</i>
All Others	0.00 percent <i>ad valorem, de minimis</i>

Because we preliminarily determine that the CVD rates in this investigation are *de minimis*, we will not direct CBP to suspend liquidation of entries of subject merchandise.

⁵ See Yieh Phui, PT, and TA's NSA questionnaire responses dated October 16, 2015, October 19, 2015, and October 20, 2015, respectively (NSAQR).

⁶ See Preliminary Decision Memorandum for further details.

On October 29, 2015, we preliminarily found that, with regard to Taiwan, critical circumstances exist for imports of subject merchandise from “All Other” producers and exporters and did not exist for the mandatory respondents, the Prosperity Companies and the Yieh Phui Companies.⁷ Thus, based on the *Preliminary Critical Circumstances Determination*, the retroactive collection of cash deposits would apply with regard to companies subject to the all others rate, contingent upon the Department reaching an affirmative result in the preliminary determination. As indicated in this notice and as further explained in the Preliminary Decision Memorandum, we have preliminarily determined that countervailable subsidies are not being provided to producers and exporters of corrosion-resistant steel from Taiwan and, thus, we are issuing a preliminary negative countervailing duty determination. Accordingly, we also preliminarily determine that critical circumstances do not exist with regard to imports of corrosion-resistant steel from Taiwan.

Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted by the respondents prior to making our final determination.

U.S. International Trade Commission Notification

In accordance with section 703(f) of the Act, we will notify the International Trade Commission (ITC) of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative

⁷ See *Antidumping and Countervailing Duty Investigations of Corrosion-Resistant Steel Products from India, Italy, the People’s Republic of China, the Republic of Korea, and Taiwan: Preliminary Determinations of Critical Circumstances*, 80 FR ____ (November __, 2015) (signed October 29, 2015) (*Preliminary Critical Circumstances Determination*).

protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement.⁸ Interested parties may submit case and rebuttal briefs, as well as request a hearing.⁹ For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, *see* the Preliminary Decision Memorandum.

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

November 2, 2015__
Date

⁸ *See* 19 CFR 351.224(b).

⁹ *See* 19 CFR 351.309(c)-(d), 19 CFR 351.310(c).

Appendix I
List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Preliminary Determination of Critical Circumstances
- VI. Injury Test
- VII. Subsidies Valuation
- VIII. Benchmarks and Interest Rates
- IX. Analysis of Programs
- X. Disclosure and Public Comment
- XI. Conclusion

Appendix II

Scope of the Investigation

The products covered by this investigation are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been "worked after rolling" (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

(1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or

- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels and high strength low alloy (HSLA) steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this investigation:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin free steel"), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosionresistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the investigation may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500,

7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

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